

Message Text

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15

ACTION EA-09

INFO OCT-01 ISO-00 CIAE-00 DODE-00 NSAE-00 NSCE-00 SSO-00

USIE-00 INRE-00 PM-04 H-02 INR-07 L-03 NSC-05 PA-01

PRS-01 SP-02 SS-15 EB-07 COME-00 JUSE-00 OMB-01

TRSE-00 STR-04 /062 W

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O R 300453Z APR 76

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC IMMEDIATE 8055

INFO AMCONSUL MELBOURNE

AMCONGEN SYDNEY

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: EAIR, PGOV, AS

SUBJECT: OPPOSITION LEADER WHITLAM MAKES LOCKHEED BRIBERY
ALLEGATIONS

1. SUMMARY: OPPOSITION LEADER AND FORMER PRIME MINISTER
WHITLAM ON APRIL 29 ALLEGED ON FLOOR OF PARLIAMENT THAT IN LATE
1950'S LOCKHEED AGENTS GAVE THEN-MINISTER FOR CIVIL AVIATION
COMMISSION ON SALE OF ONE OF 13 ELECTRA AIRCRAFT, PURCHASE OF
WHICH MINISTER HAD AUTHORIZED. IN COURSE OF ENSUING DEBATE,
WHITLAM DISCLOSED THAT CHURCH SUBCOMMITTEE HAD RECENTLY BEEN
APPROACHED BY LABOR PARTY FRONT-BENCHER FOR INFORMATION ON
TRANSACTION. DURING HIS REPLY TO WHITLAM, FOREIGN MINISTER
PEACOCK STATED HE HAD DIRECTED AUSTRALIAN AMBASSADOR IN
WASHINGTON TO MAKE INQUIRIES AND THAT CONTACTS BETWEEN
AUSTRALIAN EMBASSY AND U.S. JUSTICE DEPARTMENT HAD SO FAR
REVEALED NO EVIDENCE ON PAYMENTS. ACTION REQUESTED: EMBASSY
WOULD APPRECIATE ANY INFORMATION DEPARTMENT IS ABLE TO PROVIDE
ON WASHINGTON DEVELOPMENTS IN THIS CASE FOR OUR BACKGROUND USE
IN DEALING WITH INEVITABLE PRESS INQUIRIES. END SUMMARY.

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2. WHITLAM HAS RESURRECTED TRANSACTION 18 YEARS AGO IN WHICH LIBERAL GOVERNMENT OF THE TIME APPROVED PURCHASE OF 13 LOCKHEED ELECTRAS, 3 EACH FOR PREDECESSOR OF PRIVATELY-OWNED ANSETT AIRLINES AND GOVERNMENT-OPERATED TAA, 4 FOR QUANTAS, AND 3 FOR TASMAN EMPIRE AIRWAYS LTD., PREDECESSOR OF AIR NEW ZEALAND WHICH WAS THEN PART-OWNED BY AUSTRALIAN GOVERNMENT. HE ALLEGES THAT ORIGINALLY ONLY ANSETT WISHED TO PURCHASE 2 ELECTRAS WHILE TAA SOUGHT 2 CARAVELLE AIRCRAFT, BUT THAT "INEXPLICABLE PURCHASE" OF 13 AIRCRAFT WAS ULTIMATELY AUTHORIZED BY LIBERAL GOVERNMENT MINISTER FOR CIVIL AVIATION, THE LATE SENATOR PALTRIDGE.

3. WHITLAM ALSO STATED IN COURSE OF DEBATE THAT SHADOW SPOKESMAN ON TRANSPORT, MR. MORRIS, ON FEBRUARY 18, 1976 WROTE SENATOR CHURCH FOR INFORMATION ON TRANSACTION. THE SENATOR IS REPORTED TO HAVE REPLIED THAT SUBCOMMITTEE WOULD MAKE ITS FILES AVAILABLE, BUT PURSUANT ONLY TO A FORMAL GOA REQUEST TRANSMITTED THROUGH STATE DEPARTMENT. WHITLAM STATED THAT HE RECOMMENDED SUCH A REQUEST BY DEPARTMENT OF FOREIGN AFFAIRS BUT NO RESPONSE HAD YET BEEN RECEIVED.

4. FOREIGN MINISTER PEACOCK RESPONDED THAT HE HAD IN FACT DIRECTED AUSTRALIAN AMBASSADOR IN WASHINGTON TO MAKE PRELIMINARY INQUIRIES BEFORE WHITLAM REQUEST WOULD BE ACCEDED TO. HE SAID THAT CONTACTS BETWEEN EMBASSY IN WASHINGTON AND JUSTICE DEPARTMENT HAD SO FAR REVEALED NO EVIDENCE. AUSTRALIAN AMBASSADOR, ACCORDING TO PEACOCK, HAS ALSO REPORTED ASSURANCES BY A HIGH OFFICIAL OF LOCKHEED THAT NO SUMS OF MONEY HAD BEEN PAID TO THIRD PARTIES INVOLVED IN ANY LOCKHEED SALES IN AUSTRALIA.

5. COMMENT: WE UNDERSTAND THAT ACCUSATIONS TO EFFECT THAT SENATOR PALTRIDGE HAD BEEN BRIBED IN THIS PURCHASE ALSO WERE MADE SEVERAL YEARS AGO, AND IN SUBSEQUENT LIBEL ACTION, THEY WERE FOUND BY COURT TO BE FALSE. ALTHOUGH IT APPEARS HIGHLY UNLIKELY THAT THERE IS IN FACT ANY SUBSTANCE TO WHITLAM ALLEGATIONS, THEY MAY -- BEFORE STORY IS PLAYED OUT -- BE SUBJECT OF CONSIDERABLE PUBLICITY IN AUSTRALIA. WE WOULD THEREFORE VERY MUCH APPRECIATE FULL DETAILS, IF AVAILABLE, ON AUSTRALIAN EMBASSY CONTACTS WITHIN EXECUTIVE BRANCH ON THIS CASE, WHICH HAVE APPARENTLY TAKEN PLACE OVER LAST 2 MONTHS. END
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COMMENT.
HARGROVE

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Message Attributes

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Draft Date: 30 APR 1976
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